DON-USDA HAWAII RENEWABLE & BIOENERGY INDUSTRY FORUM

April 2010

The PacWest Kauai Project

Pacific West Energy

- Integrated sugarcane & biomass based power and biofuel facility

- Control Large Percentage of Inputs:
  - Sugarcane feedstock for biofuels production, fuel for power plant
  - Biomass fuel for power generation and cellulosic biofuels
  - Drip irrigated cane lands, and established rain fed cane lands – water primary determinant in crop selection

- Future Renewable Energy Projects:
  - Integrate other renewable projects in cooperation with utility (solar, wind, hydro), waste to energy
  - Cellulosic biofuels (renewable diesel & jet fuel)
  - Next generation yield enhancement technology

Project Execution Strategy

PHASE 1 (Apr 2010 – Jul 2012)

- Invest in agriculture infrastructure and crop development ($20 million)
- Expand cultivation to idle former sugar lands
- Develop biomass on non-sugarcane suitable lands
- Install new power plant infrastructure ($80 million)

Project Execution Strategy

PHASE 2 (2012 and beyond)

- Construct biofuel production facility ($40 million)
- Integrate solar electricity production ($TBD)
- Install hydro power capability, integrated with irrigation management plan ($TBD)
- Install cellulosic biofuel technology & next generation energy (electricity) technology ($TBD)
- Recover CO2 for possible algae to biofuels production, and other potential uses ($TBD)

Project Highlights

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- Produce 150 million kWh green electricity for export
  - Reduces fossil fuel use
- Produce ethanol, other biofuels, jet, naphtha, diesel
- Green cane – cease burning sugar cane
  - Reduced air pollution
  - Maximizes energy yield and carbon footprint
- All combine harvested
  - Evaluating trash handling, e.g. separate or blend
- Fertilizer from ethanol vinasse
  - Reduces import requirements
  - Returns natural potassium for fields
- Single-year cane, plant every five years, not two.
  - Maintain current pineapple spacing, test other spacing techniques

Typical (Pineapple Spacing)

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Typical Cane Row Spacing

Key Benefits

- Lower electricity rates & green energy for all Kauai's citizens
- Job creation on Kauai, and in particular west side
- Over $50 million annually of direct expenditures into Kauai's economy that would otherwise go off-island
- Reduces Hawaii's petroleum import needs by approximately 500,000 barrels per annum, valued at over $40 million per annum
- Preserves west Kauai's agricultural economy and way of life
- Reduced pollution, soil erosion & flooding

Kauai Sugar Cane Lands

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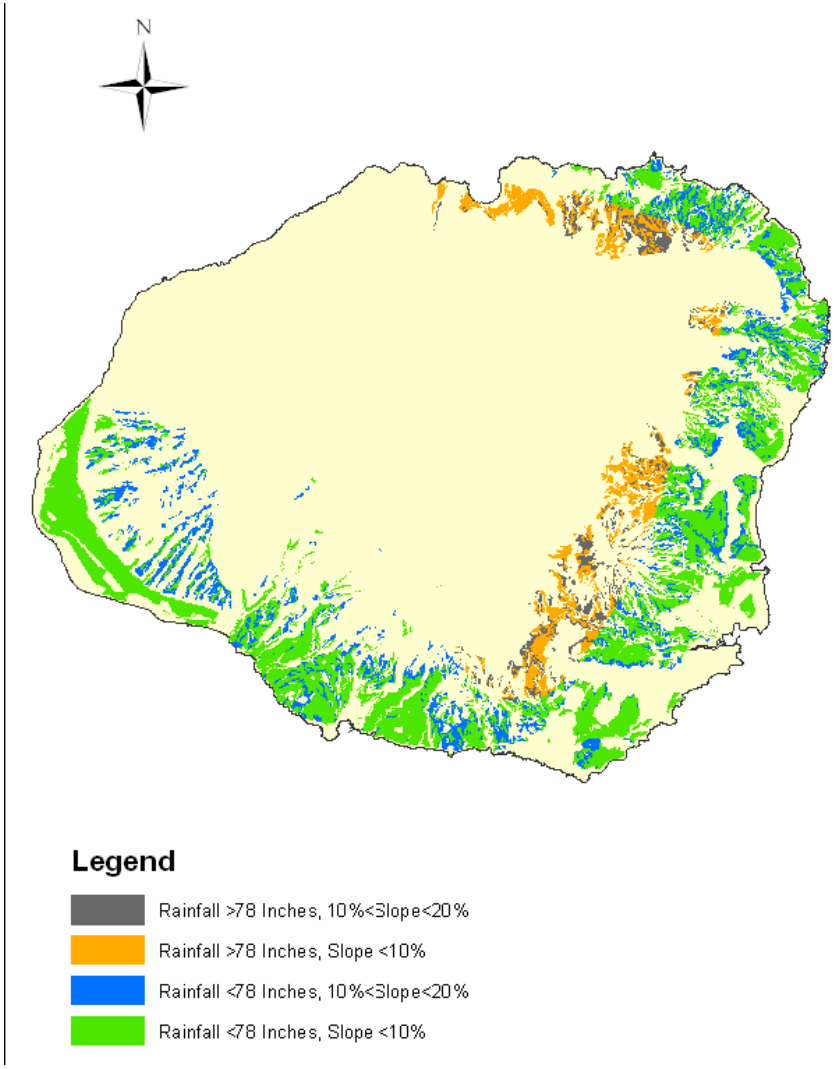
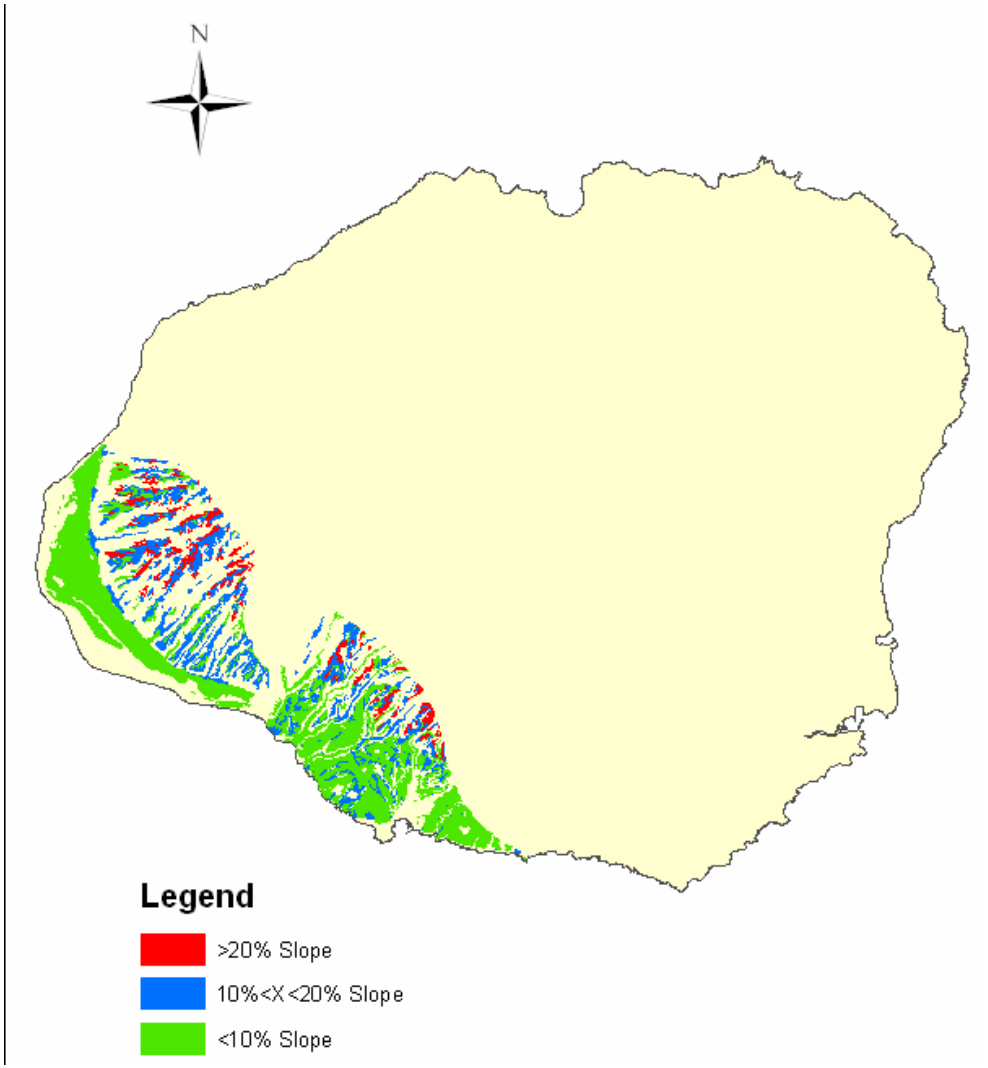


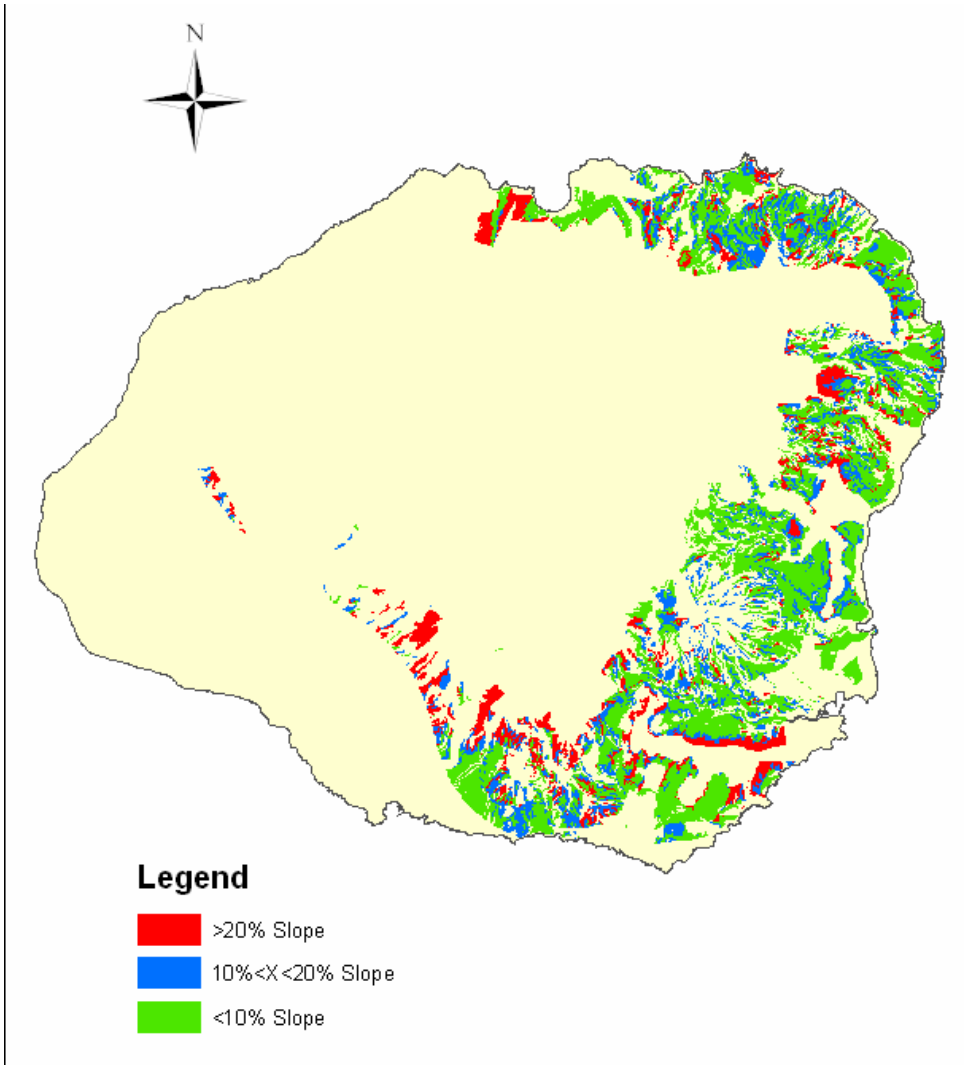
Kauai Leucaena Lands

Pacific West Energy



Kauai Eucalyptus Lands

Pacific West Energy



Integrated Biorefinery

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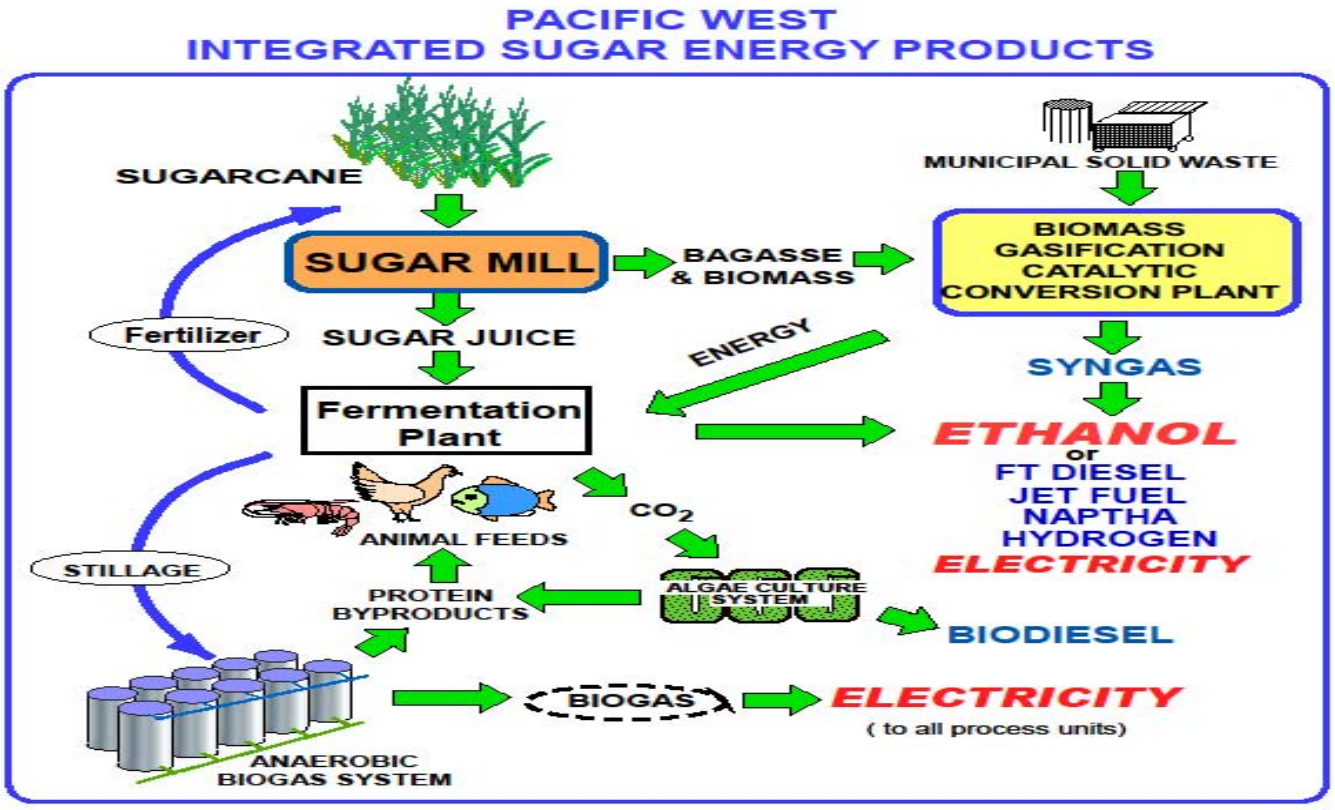

Project Timeline

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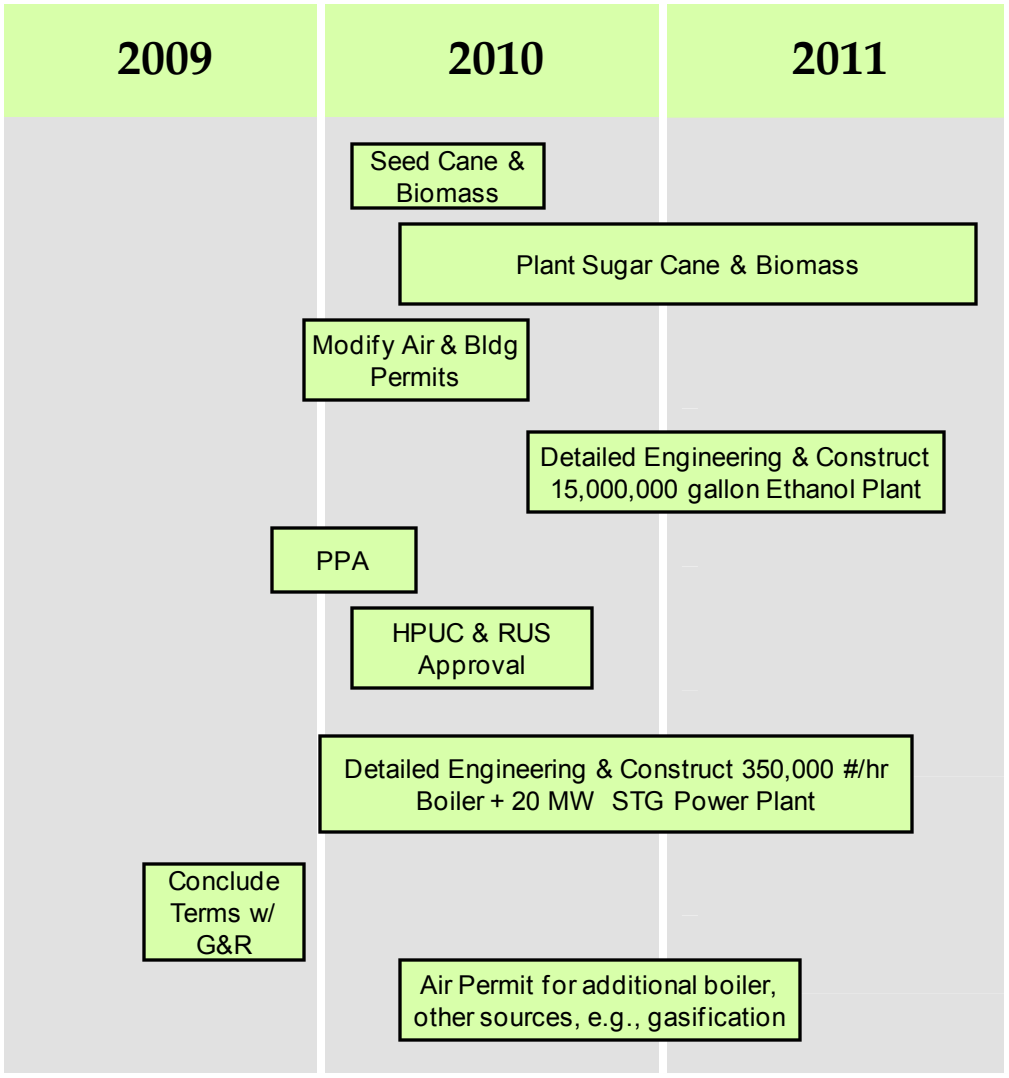

Target Milestone Dates	
10/15/2009	PPA Commercial terms approval (KIUC)
5/1/2010	Conclude commercial terms for process site location
6/01/2010	Commence nursery and , test plots biomass
515/2010	PPA approval (KIUC)
10/30/2010	PPA approval (HPUC and RUS), financial close
6/1/2011	Commence large scale cultivation of biomass crops
7/01/2011	Commence On-Site Construction
07/01/2012	New boiler and 20 MW STG commercial operation